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AUGUST 1984

ALASKA ECONOMIC TRENDS

Alaska Department of Labor

Bill Sheffield, Governor, State of Alaska



1 Alaska's Visitor
Survey

ALASKA ECONOMIC TRENDS

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The following notes pertain to Nonagricultural Wage and Salary Employment Tables:

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date: March 1983.

P Denotes preliminary estimates.

R Denotes revised estimates.

ALASKA'S VISITOR SURVEY

By Jeff Hadland

Introduction

In cooperation with the Alaska Department of Commerce and Economic Development, Division of Tourism, the Alaska Department of Labor, Research & Analysis Section, recently completed a comprehensive study of Alaska's "Visitor Industry". The results are based upon two major surveys. The primary research tool was a survey of visitors (both business and pleasure) as they left Alaska from October 1982 through September 1983. In addition, a survey of businesses in Alaska affected by visitor expenditures was conducted in the spring of 1983. Data for calendar year 1982 was collected from these "Visitor Affected Businesses". Together, these two surveys provide evidence of the importance of visitor expenditures to Alaska's economy. Approximately 650,000 nonresident visitors came to Alaska during the survey period and spent nearly \$1 billion on their Alaska trips (including transportation costs to and from Alaska) which resulted in approximately 9,000 direct visitor related jobs. This article primarily addresses the economic impacts of these visitor expenditures.

Alaska's Visitor Affected Industries

Approximately 60 industry sectors (including hotels, air transportation, eating and drinking, and retail stores) were collectively identified as "Visitor Affected Industries". The Alaska Department of Labor currently codes all Alaska firms into industry categories according to definitions of the Standard Industrial Classification (SIC) Manual. These 60 industrial groups potentially affected by visitor expenditures served as the sample universe. The multiple industries surveyed represent the collective impact of direct visitor expenditure.

Approximately 38,000 employees were paid \$2.4 billion in wages during 1982 in these visitor affected industries. These firms were surveyed to determine characteristics including type of business activity, relative importance of visitors, taxes paid, and attitudes about tourism programs. Wage and employment data for most firms was available from Alaska Department of Labor files. Estimates of business attributable to nonresident and resident visitors were prepared. Nonresident visitors are those visitors to Alaska from another state or country. Resident visitors are those Alaskans visiting an Alaska city or area away from their home (that is, a person from Anchorage who visits Fairbanks). That portion of visitor affected industry employment and wages associated with resident and

nonresident visitors (rather than local residents of the area in which the business was located) was defined as Alaska's Visitor Industry.

Visitor Industry Employment and Wages

Employment directly associated with nonresident visitor expenditures averages approximately 9,000 employees monthly and makes up 6.5% of total private nonagricultural wage and salary employment. An additional 7,000 jobs are the result of resident visitor expenditures, the purchases of visitors from Anchorage to Fairbanks for instance. (See Figure 1).

This industry employment analysis was designed to be comparable to nonagricultural wage and salary employment. Visitor Industry Employment (16,164) excludes self-employed, unpaid family workers and government workers. Data presented is annual average monthly employment which includes full-time and part-time employment as opposed to full-time equivalent positions.

If these 16,164 "Visitor Industry" jobs are compared with other industry sectors (which is adjusted to exclude employment attributable to visitors) then the visitor industry is the fourth largest private sector employer. (See Table 1). Visitor industry employment is concentrated in eating and drinking establishments, hotels, air transportation and miscellaneous retail trade industry sectors. Nearly 80% of all visitor impact is in these four SIC industries. (See Table 2).

Table 1
Total Employment in Alaska by Industry
1982 Annual Average

Industry	Employment
Services	30,960
Retail Trade	21,411
Construction	16,779
Visitor Industry	16,164
Transportation	15,617
Manufacturing	12,599
Fin., Insurance & Real	9,057
Mining	8,976
Wholesale Trade	7,205
Miscellaneous	2,007
Total Private Industry	140,805
Government	59,171
Total	199,976

Note: Employment for nonagricultural wage and salary employees subject to Alaska Unemployment Insurance; excludes self-employed, unpaid family workers and fish harvesters. Industry employment is adjusted to exclude those jobs directly attributed to resident and nonresident visitor expenditures, as a result, figures are not directly comparable to those published elsewhere. Visitor Industry is defined by the direct impact of resident and nonresident visitor expenditure as a percent of total sales.

Table 2
Visitor Industry Employment and Wages by SIC Industry Sector
1982

	Nonresident Visitor		Resident Visitor	
	Employment	Wages	Employment	Wages
		(\$1,000)		(\$1,000)
General Merchandise	86	\$1,365	1,002	\$15,930
Misc. Retail Food	108	6,873	383	6,110
Service Stations, RV	71	1,091	116	1,777
Apparel	89	1,012	208	2,455
Eating and Drinking	2,858	32,571	1,768	20,157
Misc. Retail Trade	1,610	26,119	300	1,771
Hotels, Camps, Parks	2,026	23,459	1,615	18,699
Personal Service	43	601	294	1,170
Auto Rental and Repair	171	2,723	78	1,216
Entertainment	70	721	160	1,650
Manufacturing	27	718	22	2,390
Ground Transportation	165	2,354	9	1,962
Air Related Transportation	1,500	13,134	1,052	101,229
Visitor Industry Total	9,157	\$113,055	7,007	\$359,183

Wages and Occupations by Industry

Wages in visitor industry jobs are approximately 56% of wages in all other industries because visitor industry jobs are in traditionally low paying services and retail trade sectors. On an annual average basis, visitor industry wages are the lowest of all industries. Many of the occupations in the visitor industry require few entry level skills. Eating and drinking establishments and hotels require cooks, waiters and housekeeping employees while most retail establishments require sales clerks. Twenty percent of air transportation employees are pilots making this visitor industry component the one with the highest annual average wages.

Figure 1
Alaska Wage and Salary Employment
Private Industry Only
1982 Annual Average

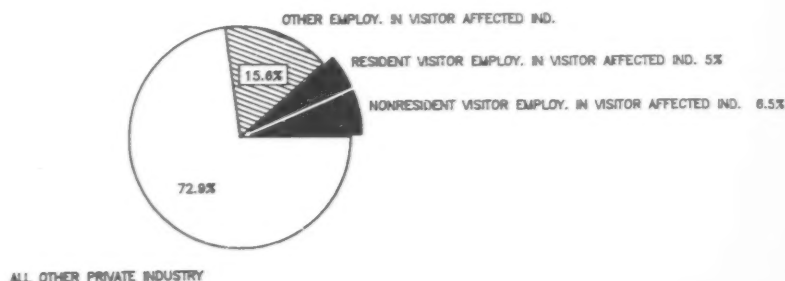


Table 3
Average Annual Wages in Alaska Visitor Industry
Ranked by Industry Component
1982 Average

Air Related Transportation	\$28,961
Manufacturing	26,725
Misc. Retail Food	16,807
Misc. Retail Trade	15,921
General Merchandise	15,897
Auto Rental and Repair	15,632
Visitor Industry Average	15,561
Service Stations	15,310
Ground Transportation	11,295
Personal Services	11,156
Apparel	11,775
Hotels, Camps, Trailer Parks	11,579
Eating and Drinking	11,398
Entertainment	10,321

An analysis of wages by specific visitor industry reveals that average wages in air related transportation jobs are \$28,961. This is more than twice as high as wages paid for ground transportation jobs. Jobs in visitor related manufacturing which are related to printing, publishing and production of handcrafted goods, pay significantly more than most visitor industry jobs. Wages are less than \$12,000 in four visitor industries: apparel, eating and drinking (unreported tips may understate actual earnings), hotels, camps, trailer parks and entertainment. Table 3 ranks average annual visitor industry wages by industry component.

Figure 2
Distribution of Selected Occupations In Visitor Affected Industries
Alaska 1981

Source: Alaska Department of Labor, Occupational Employment Statistics Program prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

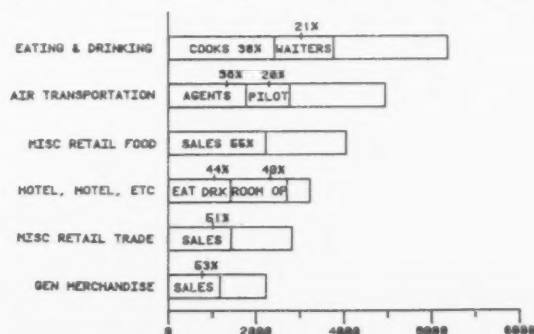
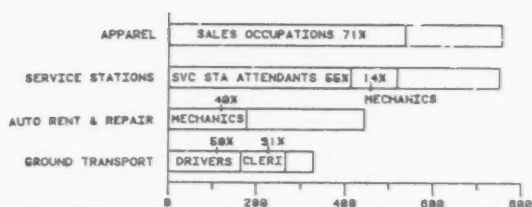


Figure 2
(Continued)



Visitor Industry Sales

Total sales and sales to resident and nonresident visitors were estimated based upon responses from the firm survey. The firms were asked what proportion wages were of their total business expenses. Given the total wage information available from Department of Labor files, total sales were calculated based upon the ratio of wages to sales. The U.S. Department of Commerce, Bureau of the Census conducts a quinquennial economic census that asks all businesses to provide wage and total sales data. Nineteen seventy-seven data is the most recent final economic census information for visitor affected businesses currently available. Economic census data for 1982 will be available during the coming year and will be used to update and adjust sales estimates. Preliminary 1982 census results indicate that estimates for some industries may be conservative.

Table 4
Nonresident Visitor Sales in Alaska Ranked by Industry
1982
(Millions)

Industry	Sales
Misc. Retail	\$167.1
Air Related Transportation	130.3*
Eating & Drinking	96.1
Hotels	72.0
Misc. Food	56.2
Auto Rental & Repair	9.1
General Merchandise	7.9
Ground Transportation	6.2
Service Stations	1.6
Apparel	3.6
Manufacturing	2.9
Entertainment	2.5
Personal Services	1.5
Total Sales Attributed to Nonresident Visitors	\$560.6

* Air related transportation sales were estimated from traveler exit survey expenditure data and reported wages rather than the wages to sales ratio.

Figure 3
Nonresident and Resident Visitor Sales as Percent of Total Sales
in Visitor Affected Industries
Alaska 1982

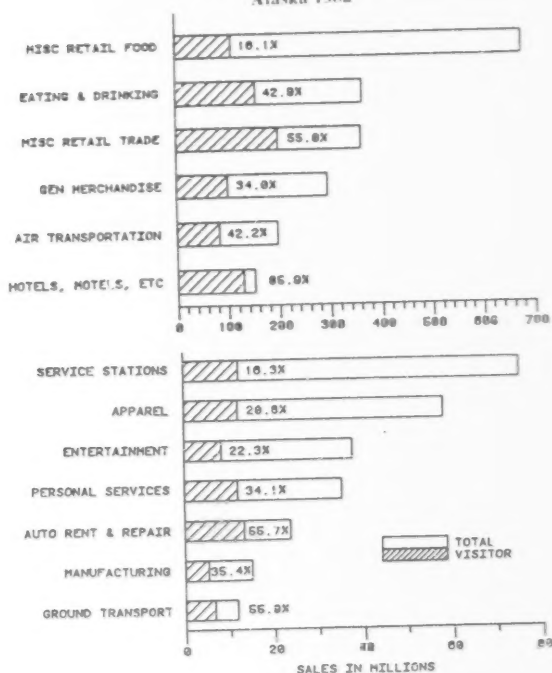


Table 5
Total NonAlaskan Visitors Exiting Alaska by Month and Mode
October 1982-September 1983

	Oct-Dec	Jan-Mar	April
Domestic Air	66,000	71,800	21,300
Anchorage Int'l Air	2,780	2,710	1,115
Highway	1,500	1,686	1,380
Ferry	1,605	1,187	475
Cruiseship	—	—	—
Misc. Aircraft & Watercraft	297	444	276
Total	75,182	77,827	24,546

Number of Visitors to Alaska

In addition to the firm survey of visitor affected businesses, travelers leaving Alaska by all different modes of transportation were contacted between October 1982 and September 1983. More than 10,700 completed surveys were coded and tabulated. Included in these surveys were responses from 6,761 visitors to Alaska for business, pleasure or a combination of the two. Visitors were contacted on departure to obtain impressions of the state after their trip.

Between October 1982 and September 1983, a total of 645,960 business and pleasure visitors left Alaska. Most travelers departed by domestic air carriers which transported over 67% of all visitors. A little more than two thirds of all visitors came to Alaska during the months of June through September.

Approximately 50% of all visitors during the year resided in Washington, Oregon or California; most of the pleasure visitors came from California and most of the business visitors came from Washington State. (See Figure 1.) Approximately two thirds of all visitors spent some time in Anchorage. Nearly 40% of the average 16.8 nights spent in Alaska were spent in Southcentral Alaska.

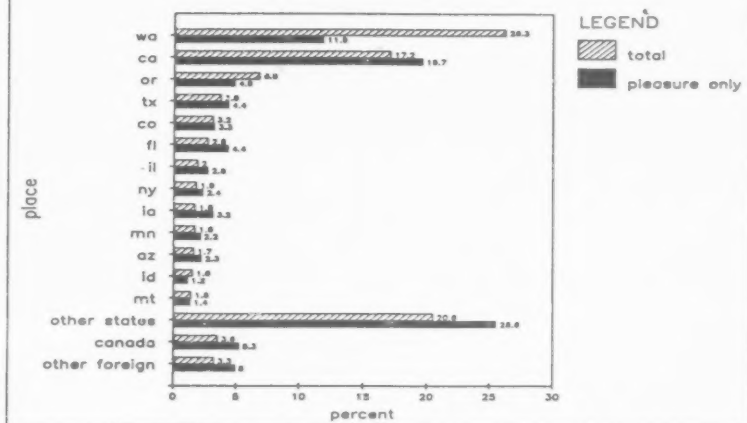
Other Characteristics

Visitors were asked to indicate all activities engaged in on their Alaska trip. Based upon these multiple responses, 36% of all visitors indicated that they spent some time visiting friends and relatives on their trip; 27% of all visitors had visited museums or attended performing arts during their stay.

May	June	July	August	September	Total
27,400	58,000	75,000	72,000	46,400	137,900
1,227	2,092	2,088	2,433	1,536	15,981
1,839	10,978	19,807	17,382	6,319	66,891
1,400	4,440	8,570	9,890	2,640	30,207
420	20,131	26,279	29,811	11,307	90,981
332	1,013	931	522	185	4,000
35,618	96,651	132,675	132,071	71,387	645,960

Note: Excludes crew on cruise ships, airlines, fishing boats and other commercial vessels; travelers on military transports and highway traffic from Hyder, Alaska, to Stewart, B.C. Includes non-Alaskans here for business, pleasure or some combination of the two.

Figure 4
Place of Residence of Visitor Parties to Alaska
1982-1983
Percent Distribution
Pleasure Only and Total



On the average, visitors spent \$90 per person per night (includes transportation costs to and from Alaska) on their Alaska trip. After excluding 80% of transportation costs to and from Alaska and 70% of all money spent on prepaid tours (this money was assumed not to directly enter the state), approximately \$51 per person per night remained in Alaska. Visitors gave Alaska high ratings in terms of the value received for money spent and overall experience.

Because the focus of the survey was statewide in nature, attitudes relating to specific areas of the state were not asked. Visitors were asked, in an open ended question, to write down two things that they most enjoyed seeing or doing on their Alaska trip. Visitors indicated sightseeing, visiting friends and viewing mountains and glaciers as the things they most enjoyed. About 1% of the visitors specifically mentioned Anchorage as one of the things they most enjoyed seeing! Given the other reasons that generally draw visitors to the state, that is a significant positive response.

More than 54% of all pleasure visitors and more than 37% of all visitors were age 55 and over. (See Figure 5.) Twenty five percent had an annual household income of \$60,000 or more. In general, cruisehip visitors were the wealthiest and oldest visitors, with the primary purpose of those visitors' trip pleasure only. Domestic air visitors were much more likely to stay with friends or to be in Alaska for business or some business than visitors leaving Alaska by other modes of travel.

Figure 5
Age of All Visitors to Alaska
1982-1983

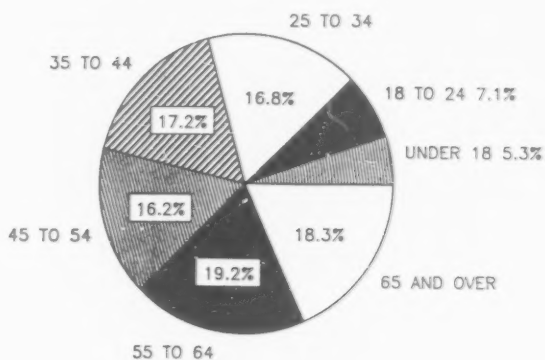


Figure 6
Total Household Income of Visitors to Alaska
1982-1983

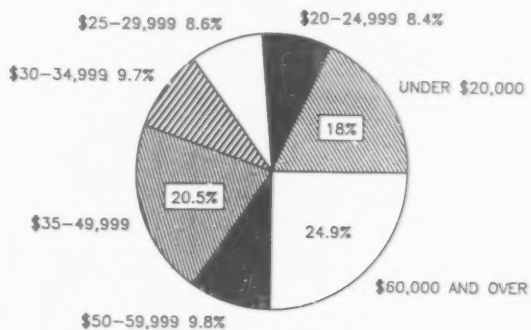


Figure 7
Educational Attainment of Visitors to Alaska
1982-1983

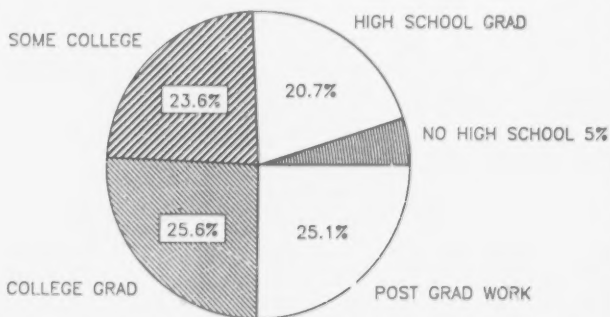
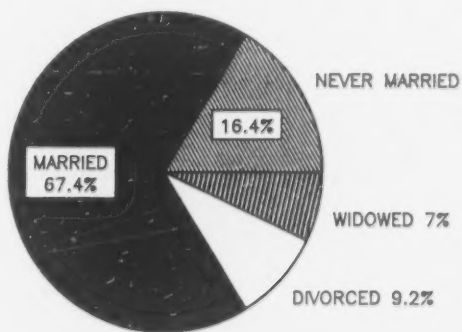


Figure 8
Marital Status of Visitors to Alaska
1982-1983



ALASKA

By Ed Eboch

Statewide nonagricultural employment increased in June as firms responded to the seasonal nature of Alaska's economy. Gains were experienced in construction, manufacturing, transportation, and trade employment. This was partially offset by a drop in state and local government employment as schools closed for the summer.

Construction employment remained strong in June, up 12% from May and only slightly below a year ago. The level of employment in construction may seem unusual given the expectation of a turnaround as evidenced by the drop in value of contracts let and building permits issued. Current employment levels reflect earlier contracts awarded and permits received. As construction projects now in progress are completed construction employment will begin to decline. In fact, construction activities may be weaker than appears in the employment numbers as hours worked is down significantly from last year (see Hours and Earnings Table).

Seafood processing is showing surprising strength as preliminary statistics indicate employment levels equal to or greater than last year. A big year to year drop in pulp mill employment explains most of the drops in lumber and paper products employment as logging and sawmills employment was approximately the same as last year.

1979-1983 Employment

Average annual nonagricultural employment in Alaska grew 27.9% from 1979 to 1983. This growth in employment corresponds closely with population growth during the same periods. As can be seen from Table I growth in construction employment registered by far the biggest percentage gain and was a leader in absolute employment gains with an increase of 10,196 jobs. Only trade employment increased more in absolute terms than construction and had the second largest gain in percentage terms. In 1983, only federal government employment and manufacturing employment were at approximately the same level as 1979. Weakness in timber prices and reduction in the shellfish harvests account for the drop in manufacturing employment.

Trade Employment

In 1983, trade was the biggest private sector employer and accounted for one out of five jobs of total state employment. Government was the only sector with greater employment than trade. A breakdown of trade related employment is presented in Table II.

Firms dealing in nondurable goods had the greatest growth in employment

**NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ALASKA**

CHANGES FROM:

	P	R	6 83	5 84	6 83
Nonag. Wage & Salary	227000	218500	221600	8500	2100
Mining	8100	8200	8100	-100	-300
Construction	21700	19300	22800	2100	-1100
Manufacturing	11300	11500	11400	2800	-100
Food & Kindred Prod.	8100	5900	8200	2500	200
Lumber & Paper Prod.	2800	2600	3100	200	-300
All Other Mfg.	3100	3000	3100	100	0
Trans. Comm. & Utilities	20200	18900	19800	1300	100
Trucking & Whseing.	2500	2300	2300	200	200
Water Transportation	1500	1100	1600	100	-100
Air Transportation	6300	5900	6100	400	-100
Other Trans. Comm. & ..					
Utilities	9900	9300	9500	600	100
Trade	15000	13300	13300	1700	1700
Wholesale	8800	8300	8200	500	600
Retail	36200	35000	35100	1200	1100
Gen. Merchandise & ..					
Apparel	5100	4900	4700	200	100
Food Stores	6000	6100	5700	-100	300
Eating & Drinking Places...	12700	11800	12800	900	-100
Other Retail Trade	12100	12200	11900	200	500
Fin.-Insurance & R.E.	11100	11100	10900	300	500
Services & Misc.	12000	39800	10900	2200	1100
Government	61300	66100	61100	-2100	200
Federal	18500	18300	18100	200	100
State	19000	19500	19300	-500	-300
Local	26800	28600	26100	-1800	100

Prepared in cooperation with the U.S. Bureau of Labor Statistics.

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1983.

P Denotes preliminary estimates.

R Denotes revised estimates.

Table I
Alaska Nonagricultural Employment
1979-1983 Growth

	1979	1983 1	Employment Gain	Percentage Change
Mining	5790	8276	2486	42.9
Construction	10063	20259	10196	101.3
Manufacturing	12695	12167	-528	-4.2
Trans. Comm. & Utilities	16640	18556	1916	11.5
Trade	29328	41951	12623	43.0
Fin.-Insurance & Real Estate	8413	10545	2132	25.3
Services & Misc.	29182	38902	9720	33.3
Government	54440	62304	7864	14.4
Federal	17538	17789	251	1.4
State	15021	18822	3801	25.3
Local	21881	25693	3812	17.4
Total	166551	212959	46408	27.9

1. July-December estimated.

during the period 1979-1983. (Nondurable goods are goods such as food, clothing, and petroleum that are serviceable for a comparatively short period of time. Durable goods are goods whose usefulness continues for a number of years.) This was true at both the retail and wholesale level. The exception was those firms that sold construction related goods such as building material, hardware, and home furnishing and equipment. These firms had the greatest employment growth of all the sub-areas of trade. This growth corresponds with the growth in construction, especially the residential construction boom of the past few years.

The growth in food stores and lack of growth in general merchandise stores is related. As Alaska's economy has grown we see the increased introduction of the multi-purpose grocery store. More and more the traditional grocery store is carrying merchandise that had been carried by the small variety stores or general merchandise stores such as hardware and homeware items. Combined employment growth of the two categories grew only slightly faster than population and less than overall growth in trade.

The other areas of rapid growth in trade employment—apparel stores, eating and drinking places, and auto dealers—reflects a changing life style in Alaska. An increase in two family incomes has encouraged eating out as is true in the U.S. in general. Better accessibility of recreation areas and greater tourism, both intrastate and interstate, has also contributed to growth in these areas.

Table II
Alaska Annual Average Employment
Trade Industries

Trade	1979	1983-1	Percent Change
Total Trade	29327	41951	43.0
Wholesale Trade	5195	7957	44.8
Machinery, Equipment and Supplies	1581	2143	35.5
Other Durable Goods	1837	2571	40.0
Grocery and Related Goods	1020	1575	54.1
Other Nondurable Goods	1056	1668	57.8
Retail Trade	23832	33994	42.6
General Merchandise	3078	3235	5.1
Apparel Stores	1058	1561	47.8
Food Stores	3537	5568	57.1
Eating and Drinking Places	8211	11930	45.2
Gas Stations	955	1205	26.2
Auto Dealers	1522	2288	50.3
Building Material, Hardware, and Garden Supplies	1022	1828	78.9
Furniture, Home Furnishings and and Equip.	700	1301	85.9
Miscellaneous Retail Stores	3746	5075	35.5

1 - July-December estimated.

LABOR FORCE BY REGION AND CENSUS DIVISION

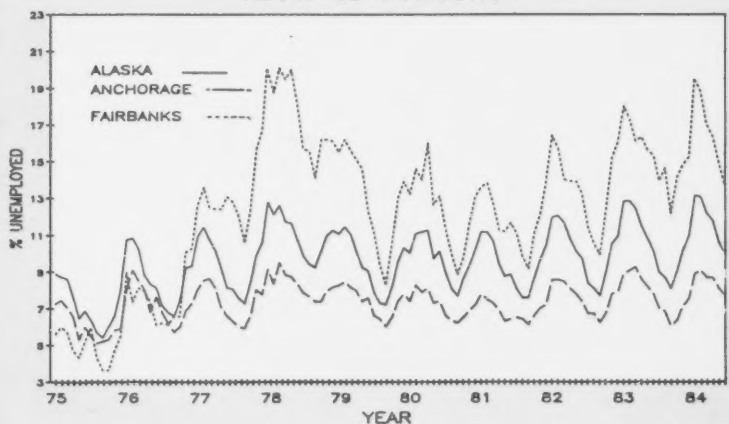
	Labor Force			Unemployment			Rate			Employment		
	P 6 84	R 5 84	6 83	P 6 84	R 5 84	6 83	P 6 84	R 5 84	6 83	P 6 84	R 5 84	6 83
Alaska Statewide	250000	242512	241123	24694	25629	24270	9.9	10.6	10.1	225306	216883	216853
Anchorage-MatSu Region ...	128713	125678	121751	10362	10779	10061	8.1	8.6	8.3	118351	114899	111687
Anchorage	116155	113289	109745	8772	9038	8408	7.6	8.0	7.7	107383	104251	101337
Matanuska-Susitna	12558	12389	12006	1590	1741	1656	12.7	14.1	13.8	10968	10648	10350
Gulf Coast Region	28592	26493	26741	3311	3515	3174	11.6	13.3	11.9	25281	22978	23567
Cordova	1415	1369	1358	92	139	96	6.4	10.2	7.1	1353	1230	1262
Kenai	15031	13835	13951	2150	2127	1943	14.3	15.4	13.9	12881	11708	12008
Kodiak	6200	5776	5957	427	529	576	6.9	9.2	9.7	5773	5247	5381
Seward	2085	1939	1915	282	300	234	13.5	15.5	12.2	1803	1639	1681
Valdez	3831	3574	3560	360	420	325	9.4	11.8	9.1	3471	3154	3235
Interior Region	33556	33054	33191	4472	4875	5019	13.3	14.7	15.1	29084	28179	28172
Fairbanks	27457	27011	27130	3751	4043	4168	13.7	15.0	15.4	23706	22968	22982
Southeast Fairbanks	2615	2606	2617	267	302	311	10.1	11.6	12.0	2378	2304	2303
Upper Yukon	853	812	865	144	125	178	16.9	15.4	20.6	709	687	687
Yukon-Koyukuk	2601	2625	2579	310	405	359	11.9	15.4	13.9	2291	2220	2220
Northern Region	11534	11144	13927	1311	1018	1191	11.4	9.1	8.6	10223	10126	12736
Barrow-North Slope	2966	2907	3670	208	176	235	7.0	6.1	6.4	2758	2731	3435
Kobuk	3689	3524	4406	516	382	454	14.0	10.8	10.3	3173	3142	3952
Nome	4879	4713	5851	587	460	502	12.0	9.8	8.6	4292	4253	5349
Southeast Region	34543	33412	32873	3936	3953	3601	11.4	11.8	11.0	30607	29459	29272
Angoon	507	460	464	102	70	77	20.1	15.2	16.6	405	390	387
Haines	1172	1119	1162	139	125	171	11.9	11.2	15.0	1033	994	988
Ketchikan	7354	7126	6921	916	929	763	12.5	13.0	11.0	6438	6197	6158
Outer Ketchikan	913	886	876	155	156	151	17.0	17.6	17.2	758	730	725
Prince of Wales	1639	1602	1621	223	239	267	13.6	14.9	16.5	1416	1363	1354
Sitka	4898	4856	4690	409	536	397	8.4	11.0	8.5	4489	4320	4293
Skagway	1668	1637	1587	171	196	155	10.3	12.0	9.8	1497	1441	1432
Wrangell-Petersburg	4044	4023	3805	584	693	496	14.4	17.2	13.0	3460	3330	3309
Southwest Region	13062	12734	12640	1302	1489	1221	10.0	11.7	9.7	11760	11242	11419
Aleutian Islands	3357	3231	3279	159	174	174	4.7	5.4	5.3	3198	3057	3105
Bethel	1331	1156	1144	590	580	511	13.6	14.0	12.3	771	3576	3633
Bristol Bay Borough	461	449	429	39	46	19	8.5	10.2	4.4	422	403	410
Bristol Bay	1707	1705	1633	128	195	99	7.5	11.4	6.1	1579	1510	1534
Kuskokwim	1482	1491	1436	162	216	146	13.7	18.4	12.9	1020	975	990
Wade Hampton	2024	1999	2019	224	278	272	11.1	13.9	13.5	1800	1721	1747

P =Preliminary 1983 Benchmark

R =Revised

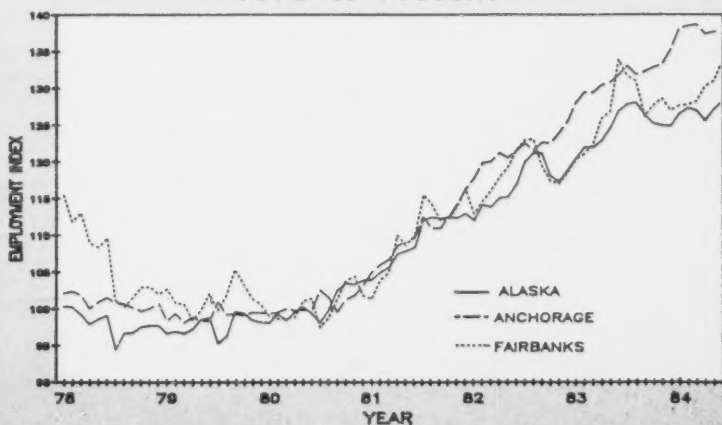
Federal guidelines require the use of unrounded labor data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor, because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature, meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's bush localities have proportionately more of these discouraged workers.

UNEMPLOYMENT RATES NOT SEASONALLY ADJUSTED 1975 to Present



source: Ak. Dept. of Labor

Composite Nonag. Employment Indexes Seasonally Adjusted 1978 to Present



ANCHORAGE/MATSU

By Greg Huff

Anchorage/MatSu Service Employment Profile

The service sector accounts for 1 out of 5 nonagricultural wage and salary jobs in the Anchorage/MatSu region and is the third largest employer behind trade and government. As of June 1984 there were 25,150 jobs in a wide spectrum of service businesses ranging from lodging and health care to auto repair and legal services. More jobs have been created in the service sector over the past 3½ years than any other industry of the region's economy except for the wholesale and retail trade industries. The 42% growth rate from June 1980 to June 1984 represents some 7,400 additional jobs. Table I contains service employment by various subsectors for the Anchorage and MatSu areas for 1980-1983.

Because of Anchorage's large market size and location advantages, over 96% of the region's service employment is based in Anchorage as compared to 78% of the region's population. MatSu imports many services from the Anchorage area because the MatSu market size is not large enough to support many types of services. In addition, an estimated 35-40% of the MatSu residents in the Palmer and Wasilla areas commute to Anchorage for work. Many services are purchased by MatSu commuters while they are in the Anchorage area. However, over the last several years the rapid growth in MatSu's population (17,816 in 1980 and 29,849 in 1983) has induced many services to start or expand operations in the MatSu area.

Service employment in the valley grew 91% from 1980 to 1983 compared to Anchorage service employment growth of 35%. Although MatSu has experienced substantial growth in service employment over the past several years, the percentage share of service employment to total employment remains substantially below that of Anchorage (15% in MatSu compared to 21% in Anchorage for 1983). However, MatSu's service employment share has increased from 12% in 1980 while Anchorage share has remained stable since that time.

It is unlikely that MatSu's economy will, at least in the foreseeable future, acquire the diversity of services that Anchorage has obtained due to the relative market sizes.

**NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE-MATSU**

CHANGES FROM:

	P	R			
	6 84	5 84	6 83	5 84	6 83
Nonag. Wage & Salary	117150	111150	112600	2700	1550
Mining	3550	3500	3700	50	-150
Construction	11500	9950	11150	1550	50
Manufacturing	2950	2650	2950	300	0
Trans. Comm. & Utilities	10050	9550	9750	500	300
Trade	28950	28300	27050	650	1900
Fin.-Insurance & R.E.	7950	7800	7550	150	100
Services & Misc.	25150	21100	21100	750	1050
Government	27050	28300	26050	-1250	1000

**NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
ANCHORAGE**

CHANGES FROM:

	P	R			
	6 84	5 84	6 83	5 84	6 83
Nonag. Wage & Salary	111650	109000	107100	2650	1550
Mining	3550	3500	3700	50	-150
Construction	10650	9300	10550	1350	100
Manufacturing	2850	2550	2850	300	0
Food & Kindred Prod.	750	500	850	250	-100
Other Mfg.	2100	2050	2000	50	100
Trans. Comm. & Utilities	9550	9050	9200	500	350
Trucking & Whseing.	1250	1200	1200	50	50
Water Transportation	350	350	350	0	0
Air Transportation	3950	3700	3900	250	50
Other Trans. Comm. & Utilities	4000	3800	3750	200	250
Trade	27600	27050	25800	550	1800
Wholesale	6350	6250	6000	100	350
Retail	21250	20800	19800	450	1450
Gen. Merchandise	1800	1700	1700	100	100
Food Stores	2800	2700	2600	100	200
Eating & Drinking Places	8050	8050	7650	0	400
Other Retail Trade	8600	8350	7850	250	750
Fin.-Insurance & R.E.	7650	7500	7300	150	350
Services & Misc.	24350	23650	23250	700	1100
Government	25150	26400	24450	-950	1000
Federal	10450	10250	10050	200	400
State	6300	6650	6350	-350	-50
Local	8700	9500	8050	-800	650

**Services Employment
Anchorage-Matsu
1980-1983**

	Anchorage		MatSu	
	1980	1983	1980	1983
Hotel-Motel	1616	2182	85	140
Personal Services	685	1079	13	31
Business Services	3312	4615	17	43
Auto Repair	558	902	6	29
Misc. Repair	251	352	•	9
Motion Pictures	•	•	•	•
Amusement	242	448	15	18
Health	3029	4053	115	218
Legal Services	945	1204	10	27
Educational	347	291	•	•
Social Services	1833	1915	59	99
Membership Clubs	1146	1686	47	68
Engineering & Accounting	1693	2656	•	•
Private Households	•	•	•	•
Total Services	15957	21587	415	791

• Nondisclosable

MatSu's smaller market size is reflected in the ratio of employees per firm. In MatSu, the service industry employed an average of 5 employees per firm compared to 9 employees per firm in Anchorage. Over the past several years the ratio has increased in MatSu and remained stable in Anchorage. Some of the fastest businesses services in the MatSu region have been auto and other repair and legal and accounting services while in Anchorage health care, amusement, accounting, and engineering services and auto repair have been among the fastest growing service sectors.

FAIRBANKS/INTERIOR

By Neal Fried

Fairbanks' Standing at Mid-Year

Fairbanks' 1984 mid-year employment numbers suggest a strong local economy. Employment in most of Fairbanks' industries are above year-ago levels and the remaining industries are holding steady. Given the strength of these mid-year indicators, it appears 1984 will be a good year for employment.

Five of the eight major industry categories that are reported for Fairbanks, contributed to the mid-year employment growth while three remained basically unchanged. Retail trade is the premier growth industry. This probably comes as no surprise to Fairbanks residents who have literally watched their landscape change overnight with new retail outlets. At least two large malls are being built in Fairbanks this summer while a number of other malls are being expanded and a host of smaller malls are being constructed. For the remaining support industries, the story is similar although not as dramatic. Finance, insurance and real estate is presently growing at a 5% pace while services has slowed to a 3% growth rate.

Now that we are in the midst of the construction season, it can be assessed as another strong year for construction as current employment estimates are up from year-ago levels. Commercial construction remains strong and residential construction has remained surprisingly resilient. The 213 unit expansion of the Wise complex has kept the housing permit numbers above 1983 levels. The construction of single family homes this year will likely remain below 1983 levels, but permits for multi-family units have surpassed year ago levels. The expansion of the Mapco Refinery along with state and local projects are keeping construction employment respectable. Government employment has increased by 3% with all the growth at the local and federal levels. State government employment has remained flat during this period.

The spending of the State's oil revenues and their secondary effects remains the source of employment growth. The extent to which the support sector (trade, services, finance, insurance and real estate) has expanded as a result of these record state expenditures was completely unexpected. No one had predicted the degree of impact oil revenues would have on the support industries or the length of time they would affect the state's economy. Growth in the near term will continue until the demand for goods from the support industries has been satisfied. Expenditure of oil revenues will continue to be a major factor in longer term economic growth in Fairbanks and the Interior, but other factors, such as the stationing of additional troops at Fort Wainright, could affect the economic picture.

**NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
INTERIOR**

CHANGES FROM:

	P 6/84	R 5/84	6/83	5/84	6/83
Nonag. Wage & Salary	32700	31800	32500	900	200
Mining	500	450	500	50	0
Construction	3250	2750	3250	500	0
Manufacturing	650	600	650	50	0
Trans. Comm. & Utilities	3750	3600	3850	150	-100
Trade	6450	6200	6100	250	350
Fin.-Insurance & R.E.	1100	1100	1050	0	50
Services & Misc.	5750	5500	5600	250	150
Government	11250	11600	11500	-350	-250

**NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
FAIRBANKS**

CHANGES FROM:

	P 6/84	R 5/84	6/83	5/84	6/83
Nonag. Wage & Salary	28900	27650	28800	1250	100
Mining	350	300	500	50	50
Construction	3150	2700	3150	450	0
Manufacturing	600	550	600	50	0
Trans. Comm. & Utilities	3000	2900	3100	100	-100
Trucking & Whseing.	550	500	500	50	50
Air Transportation	750	700	750	50	0
Other Trans. Comm. & Utilities	1700	1700	1850	0	-150
Trade	6050	5800	5700	250	350
Wholesale	900	900	900	0	0
Retail	5150	4900	4800	250	350
Gen. Merchandise & Apparel	450	400	400	50	50
Food Stores	850	800	800	50	50
Other Retail Trade	3850	3700	3600	150	250
Fin.-Insurance & R. E.	1050	1000	1000	50	50
Services & Misc.	5300	5100	5250	200	50
Government	9400	9300	9700	100	-300
Federal	2900	2700	2700	200	200
State	3650	3850	4250	-200	-600
Local	2850	2750	2750	100	100

GULF COAST

By Neal Fried

Kenai Peninsula Borough's Income Picture

The U.S. Department of Commerce has released 1982 per capita income figures of \$15,289 and \$13,394 for Seward and for Kenai-Cook Inlet, respectively. Is this high? Does it mean the Peninsula's residents are prosperous? How does it compare to the rest of the state and nation and, historically, has it kept up with the cost of living on the Peninsula?

Per capita income figures are calculated by dividing the total personal income of an area by the total population of the area. Personal income includes all sources of income received by the Borough residents including such items as wages, interest, rent, transfer payments, and retirement income. These figures must be used with caution because 1) they rely on population estimates which may be inaccurate, 2) a temporary economic event may briefly inflate or depress the figures, and 3) the population dynamics of an area may produce figures which are not necessarily representative of the economic health of an area's population. For example, if a community has a disproportionately large retired population, this could depress its income. As long as these figures are used cautiously they can reveal a great deal about a location's economic well being.

Over the past decade (1972-1982), Kenai-Cook Inlet's and Seward's income has more than tripled. People do not feel that much wealthier because inflation consumed a major share of these increases. In inflation adjusted dollars, per capita income increased by 40% and 55% for Kenai-Cook Inlet and Seward, respectively. (All other references will be to real income, income adjusted for inflation.)

The Peninsula's income grew steadily through the early 1970's. The rate of growth increased in 1974 with the expansion of the Union Chemical plant and the construction of the Trans-Alaska Pipeline. Though pipeline work did not take place within the Borough, a large number of its residents worked on the projects and brought their earnings home. Starting in 1977 in Seward and in 1978 in the remainder of the Borough real per capita income began to decline. This was a result of completion of the pipeline and Union Chemical Plant expansion and the overall slowing down of economic activity throughout much of the state. Real per capita income began to climb again in 1979 in Seward and in 1980 in Kenai-Cook Inlet. From 1980 to 1982 real per capita income in the Borough grew by more than 10%. This has come as a result of a burgeoning economy fueled by state expenditures.

**NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
GULF COAST**

CHANGES FROM:

	P	R			
	6 84	5 84	6 83	5 84	6 83
Nonag. Wage & Salary	21300	19550	20500	1750	800
Mining	700	750	700	-50	0
Construction	2100	1950	2000	150	100
Manufacturing	3950	2550	3550	1400	400
Food & Kindred Prod.	3200	1850	2800	1350	400
All Other Mfg.	750	700	750	50	0
Trans. Comm. & Utilities....	2400	2300	2450	100	-50
Trade	3550	3200	3400	350	150
Wholesale	600	150	600	150	0
Retail	2950	2750	2800	200	150
Fin.-Insurance & R.E.	500	500	500	0	0
Services & Misc.	3250	3150	3150	100	100
Government	1850	5150	4750	-300	100
Federal	550	500	550	50	0
State	1500	1550	1500	-50	0
Local	2800	3100	2700	-300	100

During the early 1970's, Kenai-Cook Inlet's per capita income was greater while Seward's was less than national per capita income figures. Per capita income for the Kenai Cook Inlet area began to pull ahead of the nation's per capita rate in 1973 and the gap between the U.S. and the Borough's census areas continued to grow. During the past decade (1972-1982), the nation's real per capita income grew a meager 7%, compared to Kenai-Cook Inlet's 40% and Seward's 55%.

In 1982 Seward and Kenai-Cook Inlet per capita incomes were 44% and 26% above the nation's. It is difficult to determine whether this difference is large enough to make up for the higher cost of living in the Kenai Peninsula Borough because of a lack of reliable data. However, the Borough's income has been growing far more rapidly than the nation's, which indicates a robust economy for the Peninsula, and an improved standard of living relative to the lower 48 states.

A comparison between the Kenai Peninsula Borough's and the State of Alaska's per capita income is not as dramatic. Both the State's and Borough's income figures have followed a similar trend over the year. Income for the Borough has been consistently below the state's per capita income figures. In 1982, Kenai-Cook Inlet's and Seward's real per capita income were 24% and 8% below the state's real per capita income. One reason why the Borough's per capita income may be significantly lower than the statewide average is because of a lower labor force participation.

(Out of 29 census divisions in the state, Kenai-Cook Inlet ranks 17th and Seward 10th.) This means there are fewer working age adults active in the labor force, and therefore, less income per capita. According to the U.S. Census Bureau, female participation in the Kenai Borough work force is a full 10 percentage points below the state's average. The Borough's real per capita income should continue to grow as the economic outlook for the area remains good.

Per Capita Income
Kenai-Cook Inlet, Seward, Alaska and U.S.
1970-1982

	Kenai-Cook Inlet	Seward	Alaska	U.S.
1970	\$3706	\$4299	\$4726	\$3945
1971	4077	4465	4989	4167
1972	4264	4406	5285	4515
1973	5138	5962	6101	5010
1974	6234	6505	7180	5448
1975	8487	7582	9554	5842
1976	9607	9279	10725	6367
1977	10352	9314	10967	6984
1978	9643	9149	10957	7775
1979	9600	10731	11344	8657
1980	10346	12044	12918	9483
1981	12311	13558	14819	10495
1982	13394	15289	16598	11100

Real Per Capita Income
Adjusted in 1970 Dollars
Kenai-Cook Inlet, Seward, Alaska and U.S.

	Kenai-Cook Inlet	Seward	Alaska	U.S.
1970	\$3706	\$4299	\$4726	\$3945
1971	3946	4322	4830	3994
1972	4021	4154	4984	4190
1973	4649	5396	5523	4377
1974	4870	5080	5861	4289
1975	6091	5447	6857	4214
1976	6399	6180	7143	4343
1977	6466	5859	6850	4475
1978	5622	5334	6387	4627
1979	5069	5666	5990	4631
1980	4955	5769	6187	4468
1981	5459	6006	6571	4480
1982	5622	6421	6967	4464

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

SOUTHEAST ALASKA

By John Boucher

Southeast Alaska nonagricultural wage and salary employment increased by 750 jobs in June to 30,550. The increase in jobs translated into 2.5% employment growth since the month of May. The June job count was 500 above the level recorded for June of 1983, which translated into 1.7% employment growth over the year. All sectors of the Southeastern Alaskan economy contributed to the growth with the exception of local government. The largest contributors to growth in June were retail trade, manufacturing, and the services sector.

Retail trade employment growth has been tremendous in Southeast during the past two years with Juneau leading the way. It is no surprise that the capital city's economy has blossomed after the capital move vote was resolved, but how much longer retail trade employment can continue to expand at the rate it has over the last two years is an interesting question. A recent survey published in the Juneau *Economic Quarterly* estimated that by the close of 1984 there will be 76% more retail space available in major malls than there was prior to the capital move vote in 1982. The results of these additions in the short run seem to indicate that competition among the local merchants for the Juneau consumer's dollar is getting keener than ever before. Less efficient operators, in particular in the food store area, have already begun to feel the effects of increased competition with staff layoffs occurring shortly after the opening of a major chain store. Whether or not the layoffs are the result of the Juneau consumers temporary fascination with the "new kid on the block" will only be determined in the long run. The implications for employment growth are that the upward movement being caused by new firms entering the market place may have a down side to it as less efficient operators revamp their staffing policies to become more competitive.

Manufacturing employment in the region took an upward turn as seafood processing and the lumber and paper products sectors both increased employment over the month. These two industries are well behind last year's pace however. Lumber and paper was especially hurt by a temporary maintenance closing at one of the pulp mills. On the up side, however, the Wrangell sawmill is again operational and brings a much needed boost to Southeast manufacturing employment this month. Reports from the Alaska Department of Fish and Game put the early returns from the salmon season at average to below average in the Southeastern region which contributed to the over the year drop in food and kindred products employment.

Services employment was the other strong contributor to June growth in the region. Additional hotel and motel employment was one of the prime contributors to the upward movement in this industry. Hotel and motel

**NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
BY PLACE OF WORK
SOUTHEAST ALASKA**

CHANGES FROM:

	P	R	6 '83	5 '84	6 '83
Nonag. Wage & Salary	30550	29800	30050	750	500
Construction	2100	1950	2300	150	-200
Manufacturing	3700	3150	4100	250	-400
Food & Kindred Prod.	1250	1050	1400	200	-150
Lumber & Paper Prod.	2200	2150	2450	50	-250
All Other Mfg.	250	250	250	0	0
Trans. Comm. & Utilities....	2250	2100	2350	150	-100
Trade	5200	4800	4850	100	350
Wholesale	500	150	500	50	0
Retail	4700	4350	4350	350	350
Fin. Insurance & R.E.	1050	1050	1000	0	50
Mining, Services & Misc.	4600	4100	4550	200	50
Government	11650	12050	10900	-400	50
Federal	2300	2250	2350	50	-50
State	5650	5600	5600	50	50
Local	3700	1200	2950	-500	750

employment may have been even larger during this month but the fire at the Baranof Hotel in Juneau took nearly 200 rooms out of the marketplace for the entire month. Some of the slack was taken up in other establishments in the Juneau area but with the tourist season in full swing, rooms were already somewhat difficult to find.

Unemployment

With the continuing woes of the manufacturing industry, unemployment in Southeast continues to run ahead of last year's rate. Southeast held the dubious distinction of having the state's two highest local area unemployment rates; Angoon with 20.1% unemployed and Outer Ketchikan with 17.0% jobless. The only census division to escape double digit unemployment in the region was Sitka, which had 8.4% of its labor force unemployed. With construction, seafood processing and lumber and paper products all running behind last year's employment totals, it would be surprising to see any drastic improvement in the current year to year comparison.

HOURS AND EARNINGS

By Kathleen Thomas

Though hours and earnings for construction changed little from last month, average weekly hours decreased 10% from the same period a year ago. This figure reflects the construction employment situation which indicates a slight cooling of the construction boom of last year. Average weekly hours decreased 4.8 hours to a 40.6 hour workweek.

The lumber and paper products sector in manufacturing appears to be rebounding. With an increase in average weekly hours of 5.39% for the month and 3.21% for the year, average weekly hours increased in May to 45 hours. Wage concessions are in the offing for numerous lumber mills in the Northwest and appear to be affecting hourly wages in Alaska. The other sector of manufacturing, food and kindred products continued its between season decline in average weekly hours dropping 8% from April.

Activity for other industries in hours and earnings was mixed with no significant changes.